

**Statement by John P. Walters,
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Before the House Government Reform and Oversight Committee,
Subcommittee on Criminal Justice, Drug Policy, and Human Resources.
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Chairman Souder, Ranking Member Cummings, and distinguished members of the subcommittee:

I am honored to appear before you today to discuss the President's *National Drug Control Strategy*. I want to thank the subcommittee for its strong bipartisan commitment to our shared national goal of reducing drug use in America, especially among our youth. Working together, I am confident we can develop a balanced, comprehensive and fully coordinated strategy that will prove effective and will reduce illicit drug use. This is just the beginning of our dialogue; I welcome the subcommittee's involvement and will continue to ask for your guidance as we implement policies and programs to make our nation a safer and healthier place in which to live and raise our families.

Strategy Development

The Office of National Drug Control Policy Reauthorization Act of 1998 (the "Act") required the President to submit to Congress by February 1999 a comprehensive National Drug Control Strategy for reducing drug abuse and the consequences of drug abuse in the United States by limiting the availability of and reducing the demand for illegal drugs. The Act also requires annual reports in successive years focusing on progress achieved in implementing that strategy. The Act permits the submission of a new Strategy when a new president or director takes office. It is pursuant to that statutory provision that President Bush submitted the *National Drug Control Strategy* to Congress on February 12th.

As you know, developing an effective and comprehensive drug control strategy is a complex challenge. It is, however, a challenge that we as a nation are prepared to meet. Upon assuming office as Director of National Drug Control Policy last December, I began conducting an in-depth review of existing policies and program priorities. The first phase of that review culminated in the *Strategy*. The President reiterated his commitment to combat drug use and emphatically stated that reducing drug use is at the center of our national agenda as it affects everything from the health of our citizens to the national security of the United States. I am confident that you will find this *Strategy* to be a balanced, comprehensive approach to reducing drug use in our Nation. We will continue to work with you and your colleagues in Congress as we review our approach in greater detail during the balance of this year.

The fundamental elements of effective drug control policy are consistent with common sense. We are committed to mobilizing our nation's efforts along three major themes:

Stopping Use Before it Starts. We are using parents, educational institutions, the media, and community action to prevent young people from experimenting with drugs in the first instance and starting on the path that all too often leads to addiction, crime, and personal and familial destruction.

Healing America's Drug Users. We are placing a strong emphasis on drug treatment. The President has made a historic commitment of \$1.6 billion over five years in increased treatment funding. We will work to deploy these resources to areas and populations that need it most and provide more effective outreach to the chronically addicted drug using population.

Disrupting the Market. We are readjusting our efforts in supply reduction based on market principles. We will identify and target strategic vulnerabilities in the business of drug trafficking. We will attack the drugs, money and corrupt financial institutions, precursor chemicals, key managers and individuals, crops, key transit routes, and key communication links that facilitate drug trafficking.

Finally, this *Strategy* focuses on results and providing accountability to the American people, to Congress, and to our partners around the globe. We will measure our success against our national goals of a 10 percent reduction in teenage and adult current drug use over the next two years, and a 25 percent reduction in current drug use, nationally, over the next five years, measured with the *National Household Survey on Drug Abuse (NHSDA)*. The *Strategy* recognizes that our drug fighting institutions have not worked as effectively as they should. In keeping with the goals of the President's Management Agenda, it is our task to make these institutions perform better. Good government demands it, and it is our responsibility to future generations to ensure it. In the past, our ability to manage anti-drug programs has been complicated by the methods used to calculate the drug control budget. The Administration is developing a new way to report the drug budget that will be readily identifiable and will reflect policy decisions guiding our counterdrug efforts.

Assessing the Extent of the Drug Problem in Our Nation

Science, research, and performance management will guide our drug policy decisions and enable us to accomplish our goal of reducing drug use in America. The drug problem is not a recent phenomenon. In fact, drug use among our young people has remained at unacceptably high levels for most of the past decade. Unfortunately, illicit drug use has once again become all too acceptable among our youth. This acceptance among youth threatens to reverberate for years to come in areas as disparate as crime rates, higher education, economic competitiveness, and cohesiveness of community and family. For all these reasons, we must do all we can to empower individuals to say "no" to drug use.

The following is a snapshot of the state of drug use in our country and the enormous harmful consequences it inflicts upon our society:

Overall Trends. According to the *NHSDA*, in 2000, 6.3 percent of the household population aged 12 and older (14.0 million persons) were “current” or past month users of an illicit drug, a level that was unchanged from 1999. Three of four current users (10.7 million) reported using marijuana, either alone or in combination with other drugs. Trend data prior to 1999 are not directly comparable to these numbers because a new methodology to improve and expand the survey was implemented in 1999. Nevertheless, historical data show that drug use peaked in 1979, when 25 million people (or 14.1 percent of the population) used illegal drugs.

Adult Trends. According to the *NHSDA*, current drug use among adults – aged 18 or older – remained statistically unchanged between 1999 and 2000, at 5.8 percent and 5.9 percent, respectively. Four out of ten report having tried an illicit drug in their lifetime.

Youth Trends. Drug use among 12-17 year olds also remained relatively unchanged -- 9.8 percent in 1999 and 9.7 percent in 2000. According to *NHSDA*, in 2000, 7.2 percent were current marijuana users, and about one in four youth (26.9 percent) have tried an illicit drug in their lifetime. The school-based *Monitoring the Future* study shows that among 8th graders, 11.7 percent reported past-month (current) use of any illicit drugs in 2001, lower than the 1996 peak of 14.6 percent. Among 10th graders, 22.7 percent reported current drug use in 2001, relatively stable in recent years and down slightly from the 1996 peak of 23.2 percent. For 12th graders, 25.7 percent reported current drug use in 2001, also relatively stable compared to the decade’s peak of 26.2 percent recorded 1997. We are concerned that every day in 1999 (the latest year for which data are available), more than 3,800 young people tried marijuana for the first time, 1,800 tried hallucinogens, and about 1,700 tried inhalants. Every day over the same period, over 8,000 youths first used alcohol.

Consequences of Drug Use. There were 19,102 deaths as a result of drug-induced causes in 1999, a slight drop from the 20,227 deaths in 1998. In 2000, there were 601,563 drug-related emergency room episodes in the United States. This is an increase of 16 percent over the 518,800 episodes reported for 1994. Episodes including cocaine in remain at their historic highs; in 2000 there were 174,881 mentions of cocaine, an increase of 22 percent since 1994.

Drug Consumption and Expenditure Estimates. Americans spent over \$64 billion on illegal drugs in 2000. Most of the expenditure was for cocaine (\$35 billion), followed by marijuana (\$10.5 billion) and heroin (\$10 billion). The amount of cocaine consumed in the United States has been declining over the past 10 years, from over 440 metric tons in 1990 to 260 metric tons in 2000. Heroin consumption has been stable at 13 to 14 metric tons per year, over the past 5 years.

Drug Availability. Net coca cultivation in the Andean Ridge has been dropping over the past 5 years, thus decreasing potential cocaine production to 760-765 metric tons per year over each of the past two years. The primary coca cultivation country is now Colombia, which accounts for 580 metric tons, or 75 percent of the potential production. This compares with 1995, where Colombia's potential production was less than 25 percent of world production. In 1995, Peru contributed 50 percent of the total potential production. DEA's Heroin Signature Program, which chemically analyzes heroin seizures, suggests that Colombia is the source of over 60 percent of the heroin entering the United States and Mexico is the source of an additional 20 percent.

Drug Seizures. Worldwide cocaine seizures, over the past five years, have averaged 280 metric tons (an average of 28 percent of the potential production). Those seizures are distributed equally among three components: 1) South America, 2) in transit to the US market, and 3) domestic United States, which includes seizures at and within the United States border. Each of those components contributes to 30 percent of worldwide seizures. The remaining 10 percent are from seizures in overseas markets. Seizures in transit to United States markets have been rising (reaching 110 metric tons in 2001), while seizures at the border have fallen (down to 34 metric tons in 2001), suggesting that we are removing drugs farther from our borders. Federal cocaine seizures have varied between 100 to 130 metric tons over the past five years. Federal heroin seizures have been averaging 1,500 kilograms annually, but exceeded 1,600 kilograms in 2000. Federal seizures of marijuana, which occur primarily at the Southwest border, have increased annually about 20 percent for the past five years. In 2000, these seizures exceeded 1,200 metric tons. Federal seizures of methamphetamine rose dramatically in the late 1990s, and exceeded 3,300 kilograms in 2000. The number of clandestine methamphetamine labs destroyed is projected to exceed 7,000 when the 2001 figures are finalized. This compares with fewer than 4,000 labs in 1998.

None of us is satisfied with the status quo. Despite our best efforts, too many Americans are using drugs. Too many of our young people are using drugs at a very early age. Too many of our citizens are addicted. The drug trade is too prosperous. These statistics make abundantly clear that we have before us a tremendous challenge. We will meet this challenge by uniting as a nation to begin the long and complex task of stopping use among youth before it starts, transforming drug users back to health, and disrupting drug markets to reduce the flow of illegal drugs into our country.

The Fiscal Year 2003 Federal Drug Control Budget: Integrating Budget and Performance

Budget Summary

The President's FY 2003 Budget presents a balanced approach for drug control programs, fully supporting the *National Drug Control Strategy*. In FY 2003, critical initiatives significantly expand the Administration's commitment to drug treatment, support essential drug prevention programs targeting youth, and continue assistance to our partners in the Andean region. In total, funding recommended for FY 2003 is an

estimated \$19.2 billion, an increase of \$356.9 million (+1.9 percent) over the FY 2002 enacted level of \$18.8 billion.

Restructuring the National Drug Control Budget

The President has committed the Federal Government to manage by results. Effectively managing our federal drug control program, which involves coordinating the work of more than 50 national drug control program agencies, poses a unique set of problems and demands creative solutions. In the past, our ability to manage anti-drug programs has been complicated by the methods used to calculate the drug control budget. The budget information presented in the Strategy each year does not represent actual managed dollars. With few exceptions, the dollars reported are not reflected as line items in the President's budget or in appropriations acts. Rather, they reflect percentages of total appropriations for agencies and programs, with a number of different methods used to estimate the portion dedicated to drug control.

Recent independent analyses commissioned by ONDCP, as well as ongoing, required reviews by Inspectors General, have identified weaknesses in the methodologies agencies use to measure drug spending. These reviews are unambiguous; we need to reform the National Drug Control Budget. The Administration is developing a new way to report the drug budget, based on the following guidelines:

- All funding items displayed in the drug budget should be readily identifiable line items in the President's Budget or agency budget justifications; and
- The budget presentation should be simplified by eliminating several supporting agencies from the drug budget tabulation. Only agencies with a primary demand reduction or supply reduction mission should be displayed in the drug budget. Agencies with no, or little, direct involvement in drug control would be excluded from the revised drug budget presentation.

Furthermore, the budget presentation has historically included costs that are a consequence of drug use rather than expenditures aimed at reducing drug use. Because these costs do not reflect judgments about drug policy, they would be excluded from the drug control budget. These costs would continue to be reported as part of the biennial report, *Economic Costs to Society of Drug Abuse*.

This proposal will enable the Administration, Congress, and the general public to distinguish between funding for drug control efforts and funding for the consequences of drug use. While this presentational change will lower the amount of funding attributed to the drug control budget, it will not negatively affect the total size of our federal drug control efforts. In fact, it will improve the management of those efforts by enabling policymakers to focus on managing programs genuinely directed at reducing drug use. The President's FY 2004 Budget will implement the proposed changes to the National Drug Control Budget.

Stopping Use Before it Starts: Education and Community Action

Everyone agrees that preventing a young person from experimenting with illicit drugs in the first place is far preferable than having to treat or incarcerate that same person after he or she develops a drug use problem. And while it is true that each person who uses marijuana or cocaine once or twice may not be destined for a life of drug addiction, the fact is that large percentages do remain drug users.

Recent data from Columbia University's National Center on Addiction and Substance Abuse show that roughly 60 percent of youth who try cocaine and LSD during high school are still using drugs at graduation. Data from the *NHSDA* show that the earlier people initiate drug use, the more likely they are to develop a drug problem later in life. Adults who first used marijuana at the age of 14 or younger were 5 times more likely to be classified with drug dependence or abuse than adults who first used marijuana at age 18 or older.

Drug prevention is not an elusive concept. We know what works. We will employ research-based principles of prevention to guide our policies and programs. We will enlist our communities, schools, faith-based and service organizations, and the media to help our children make the conscious decision that drugs have no place in their lives. We recognize that parents and other caregivers have a unique opportunity to shape a child's views on many critical issues, including the decision not to use drugs.

Unfortunately, parents cannot remain at their children's side at all times to protect them from those who will attempt to convince them to use drugs. Parents can commit to providing the hope, guidance, and support necessary for their child to possess the self-worth needed to make the decision to reject drugs. Parents and other responsible caregivers can raise children to have a sense of responsibility for their actions and teach that there are consequences for inappropriate actions. Parents and other responsible caregivers can instill a belief system in children that understands drug use is dangerous, wrong, and will not be tolerated. Children will listen.

The President's FY 2003 Budget Request puts the necessary resources behind our commitment to reduce drug use in the near term. The following are key budget highlights that will contribute to our shared effort to stop drug use before it starts:

- **Safe and Drug-Free Schools and Communities Program: \$644 million** (\$634.8 million drug-related). The budget continues funding for this school-based drug and violence prevention program aimed at young people. To improve evaluation and better direct program activities in FY 2003, ONDCP will work with the Department of Education to develop a useful evaluation plan that will provide the data needed to impose program accountability, while alerting schools to problem areas.

- **National Youth Anti-Drug Media Campaign: \$180 million.** The Media Campaign uses multi-media advertising and public communications strategies aimed at youth and parents to promote anti-drug attitudes and behavior. The campaign is a comprehensive national effort that integrates paid advertising at national and local levels with public information outreach through a network of public and private partnerships to amplify and provide local context for campaign messages.
- **Drug-Free Communities Support Program: \$60 million.** This ONDCP program provides assistance to community groups on forming and sustaining effective community and anti-drug coalitions that fight the use of illegal drugs, alcohol, and tobacco by youth. Further, the President's request includes \$2 million for the National Community Anti-Drug Coalition Institute. The Institute will provide education, training, and technical assistance for coalition leaders and community teams that will help coalitions to evaluate their own performance.
- **Parents Drug Corps Program: +\$5 million.** This new initiative, funded through the Corporation for National and Community Service, will encourage parents to help children stay drug-free by training them in drug prevention skills and methods.

**Healing America's Drug Users:
Getting Treatment Resources Where They're Needed**

We are proud to be associated with the President's historic commitment of providing \$1.6 billion over five years to increase funding for treatment. We look forward to working with the Department of Health and Human Services to implement this commitment in such a way that the resources are targeted to areas and populations with the greatest need. This Administration is committed to going beyond merely providing additional funding for drug treatment. We will seek to achieve a greater understanding of addiction and of the types of programs that prove effective, as well as to foster a climate where drug users are empowered to take an active, responsible role in their recovery

According to the 2000 *NHSDA*, there were approximately 4.7 million people in need of treatment; of these, 2.8 million were classified as drug dependent and an additional 1.5 million were classified as drug abusers. Of the 4.7 million people in need of treatment, only an estimated 800,000 (17 percent) people were receiving it, leaving nearly 3.9 million needing treatment, but neither seeking nor obtaining it. This is not, however, simply a matter of expanding the system's capacity, since, remarkably, fewer than 10 percent of the 3.9 million (381,000) reported thinking that they needed help. Moreover, an estimated 129,000 reported that they sought treatment but were unable to obtain it.

The story the data tell is that the vast majority of people who are identified by survey criteria using dependency measures as needing drug treatment do not acknowledge that they have a problem and do not seek treatment. This difference between survey results and individual assessments of their own need is not a mystery. Denial is a recognized component in the cycle of drug use; and it serves as a serious

obstacle to those who so desperately want the user to stop their use. We must take steps to assist the drug user in recognizing the severity of the problem and begin the healing process. We will provide more effective outreach. That means employers, schools, communities, and families not allowing denial to continue, but assisting people who have drug use problems to get help.

Most drug users, the lucky ones at least, are no strangers to coercion. People in need of drug treatment are fortunate if they run up against the compassionate coercion of family, friends, employers, the criminal justice system, and others. Such pressure needs no excuse; the health and safety of the addicted individual, as well as that of the community, require it. Compassionate coercion begins with family, friends, and the community. Americans must begin to confront drug use and drug users honestly and directly. We must encourage those in need to enter and remain in drug treatment.

Drug users who are not so fortunate, or who have not responded to the entreaties of family and friends, all too often become involved in the criminal justice system. The criminal justice system must take this involvement as an opportunity to apply compassionate coercion to teach individuals to take responsibility for their own actions and enable them to obtain the treatment they need, but did not seek on their own. The Administration is committed to taking full advantage of our state and federal criminal justice systems' ability to provide drug treatment to those within their jurisdiction. As part of this effort, in Fiscal Year 2003, we are seeking to expand drug courts and the Residential Substance Abuse Treatment program.

In order to target our resources in the most effective manner possible, we must gain a greater understanding of the magnitude of the treatment "need." While available surveys are helpful, they do not take into account several populations, including individuals currently in residential treatment programs, the incarcerated, or the homeless not living in shelters. ONDCP will work with the Department of Health and Human Services and the Department of Justice to attempt to determine more precisely the number of persons needing, currently seeking, or obtaining drug treatment services.

Simultaneous with our efforts to gain a greater understanding of the need for substance abuse treatment, we will increase the capacity of the drug treatment infrastructure for those who seek to avail themselves of the service or who can be coerced into doing so. This increase will attempt to target resources to the areas of greatest need while building effective treatment programs for the disparate needs of individual drug users. We must continue to support, improve, and expand effective treatment services across all modalities – residential, outpatient, inpatient, methadone, and detoxification to better treat the dependent and user populations. Research has demonstrated that drug use can alter the structure and function of the brain, diminishing the capacity of the user to make judgments, control impulses, and meet responsibilities. The Administration will also continue to pursue advances in brain imaging technology and medications development to better equip treatment professionals to recognize and treat those addicted to illegal drugs.

The most difficult single challenge for people with a substance use problem is not obtaining and successfully completing a treatment program but staying in recovery. A drug user is not necessarily “cured” after completing a single program, or even a series of programs. For some, addiction is a life-long challenge, one that requires the sustained effort of the drug user and his or her family and friends to stay in recovery after the treatment programs are completed. We know that some people will relapse, fall back into drug taking behavior. As a society, we must take an active role in their lives and find a way to get these individuals back into treatment and recovery. We know that for those who accept responsibility and obtain treatment services, treatment can prove successful. Only with this continuum of effort can we know we have done our best to provide life-saving assistance to those who need it.

This *Strategy* builds upon the significant bipartisan interest we enjoy in expanding our nation’s commitment to effective drug treatment programs and research. The President’s FY 2003 Budget includes an overall increase of **\$224.2 million** for drug treatment programs. The following are key highlights that will begin an unprecedented effort to heal America’s drug users:

- **Targeted Capacity Expansion (TCE) Program: +\$109 million.** This additional funding will help to expand the Treatment TCE program, which is designed to support a rapid, strategic response to emerging trends in substance use. Included in this proposal is \$50 million to be used for a new component of the TCE program. This new component would be structured to reserve funding for state-level competitions, weighted according to each state’s need for treatment services.
- **Substance Abuse Prevention and Treatment (SAPT) Block Grant: +\$60 million** (\$43 million drug-related). This increase in the SAPT Block Grant will provide additional funding to states for treatment and prevention services. States use these funds to extend treatment services to pregnant women, women with dependent children, and racial and ethnic minorities.
- **Residential Substance Abuse Treatment (RSAT): +\$7 million.** This enhancement will expand total funding for the RSAT program to **\$77 million** in FY 2003. The RSAT program is a formula grant that distributes funds to states to support drug and alcohol treatment in state corrections facilities.
- **Drug Courts: +\$2 million.** These additional resources will expand total funding for the Drug Courts program to **\$52 million** in FY 2003. This program provides alternatives to incarceration by using the coercive power of the court to force abstinence and alter behavior through a combination of escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.

Disrupting the Market:
Attacking the Economic Basis of the Drug Trade.

Our policy toward reducing the supply of drugs in America starts with the premise that illegal drug trafficking is a profit-driven business. As is the case with legitimate business, drug traffickers are subject to market forces. Our efforts must focus on finding strategic vulnerabilities in the drug market and exploiting them.

Drug users are not immune to fluctuations in the market. Recent research and common sense tell us that both addicts and casual users are sensitive to the price and purity of illicit drugs. A study, *Marijuana and Youth*, funded by the Robert Wood Johnson Foundation, concludes that changes in the price of marijuana “contributed significantly to the trends in youth marijuana use between 1982 and 1998, particularly during the contraction in use from 1982 to 1992.” Many factors, including a concentrated effort to disrupt domestic production, contributed to the contraction. Common sense also tells us that we have a better chance of stopping a child or teenager from experimenting with drugs in the first instance and keeping individuals in recovery if drugs are less available to them.

Disrupting Markets at Home.

Our efforts will focus on dismantling trafficking organizations and their trafficking routes to the United States and eliminating large-scale production. The more local, state, and federal law-enforcement agencies and operations reinforce one another, share information and resources, “deconflict” operations, establish priorities, and focus energies across the spectrum of criminal activities, the more effective their efforts to disrupt the market will prove.

The leaders of drug trafficking organizations have long benefited from traditional “turf” issues among state, local, and federal law enforcement entities. The magnitude of the threat posed to our national security and community safety by illegal drugs and those who traffic in them is creating an unparalleled sense of urgency for law enforcement entities to cooperate with each other to achieve common goals. Examples of sophisticated cooperative efforts include the following initiatives:

- ONDCP’s High Intensity Drug Trafficking Areas Program (HIDTA) coordinates efforts among state, local and federal law enforcement entities efforts in 28 designated areas to reduce the production, manufacturing, distribution, transportation and chronic use of illegal drugs, as well as the attendant money laundering of drug proceeds. Resources are allocated to link drug enforcement efforts and to optimize the investigative return on limited fiscal and personnel resources. ONDCP will work with all involved entities to ensure that HIDTAs resources are properly targeted to offer greater efficiency.

- Organized Crime Drug Enforcement Task Forces (OCDETF) draw on the expertise of state, local, and federal law enforcement and prosecutorial agencies to coordinate investigations and prosecutions of domestic and international drug trafficking organizations, money laundering operations, and gangs involved in drug trafficking enterprises in nine regions. The Attorney General is making certain the OCDETF program increases its focus on financial investigations to dismantle the financial infrastructure of the most significant drug trafficking organizations.

Going to the Source.

The drug trade is a transnational market run by traffickers who do not respect national borders. No single country can be effective unilaterally in attempting to address this global problem. Consistent with this Administration's foreign policy as a whole, we will continue to support multinational coordination and work closely with our friends and allies to disrupt the production and trafficking of illegal drugs and combat the destructive market that they create. It is the Federal Government's responsibility to target these major drug trafficking organizations. International cooperation is crucial to apprehending these international traffickers and bringing them to justice, either in the United States or abroad. The United States does not place the blame for our drug use problem on source or transit countries. The absolute foundation of our international strategy is to do our part in helping our partners to reduce cultivation, production, trafficking, and consumption within their countries while at the same time reducing production and demand in the United States.

Our international partners deserve, and will receive, our assistance as they combat the corrupting influence of major drug trafficking organizations and their illegally obtained profits. The United States will work with our international partners to strengthen regional enforcement efforts and deny sanctuary to drug traffickers and terrorist organizations that depend on drug profits. The drug producers and their financial infrastructure are vulnerable to law enforcement efforts. We must work to bring the full weight of international cooperative law enforcement to bear on their organizations in a manner that is consistent with our commitment to promote democracy and human rights.

Virtually all coca and poppy cultivation occurs in lawless regions. History teaches us that strong legitimate government presence in the production areas is necessary to disrupt these illicit operations. History also teaches us that government presence and law enforcement are not sufficient. Our *Strategy* will complement law enforcement operations with alternative development and programs to strengthen democracy and judicial systems.

Our *Strategy* will complement programs to strengthen the economies in the Andean region. One tool that has been effective over the past ten years in creating jobs in the Andean region is the Andean Trade Preferences Act (ATPA). ATPA has helped keep large numbers of laborers out of the illicit economies in the region. The Administration thanks you for your support of this key element of our *Strategy*.

Our efforts to disrupt this transnational market face numerous, but not insurmountable, obstacles. Bolivia and Peru have achieved tremendous successes in crop reduction over the last several years. These countries serve as an example to the world that the greed of drug criminals is no match for a nation's determination, commitment, and hard work.

Colombia is the key to our source zone strategy. During the past several years, much of the good news about crop reduction in Bolivia and Peru has been offset by the bad news of increasing coca cultivation in Colombia. It is, however, important to recognize that Colombia has not stood still. They have dismantled or disrupted the large cartels that terrorized the world in the late 1980s and early 1990s. They have eradicated hundreds of thousands of acres of coca that would have ended up as more cocaine on our streets. They have sacrificed thousands of brave policemen and soldiers to interdict the flow of drugs from Colombia and fight the narco-terrorists who derive their only support from the funds of drug trafficking. Finally, they have set the standard for the world by extraditing unprecedented numbers of criminals to the United States to stand trial. But much more needs to be done. We will continue to help the Colombian people and their neighbors to disrupt the Andean cocaine industry that has fueled so much violence in the region.

In addition to our focus on suppressing production, we will work closely with nations used as transshipment points to the United States. Caribbean nations currently lack the resources necessary to rid their jurisdictions of drug traffickers. Therefore, the United States will assist them to develop and implement cooperative maritime interdiction efforts, modernize laws, strengthen law-enforcement and judicial institutions, and support anti-money laundering initiatives. Our nation will continue to rely on the United States Coast Guard and United States Customs Service to continue improving interdiction methods and programs to disrupt trafficking operations.

Recent events have refocused our efforts to combat the drug trade in Central Asia in general, and in Afghanistan in particular. Under the Taliban, Afghanistan's opium production flourished, producing more than 70 percent of the world's supply. When the Taliban banned poppy cultivation, they earned tremendous profits from the increased prices for stockpiled opium under their control. As Afghanistan's interim government rebuilds the country, the United States will work to ensure that the drug trade will never again finance regional instability or international terrorism. The United States will contribute to this development process. Our assistance should be directed to establish governmental, judicial, and law enforcement institutions that will not succumb to those who seek to reinvigorate a drug economy.

The Administration is conducting a top-to-bottom review of our border-control efforts. ONDCP is working closely with the Office of Homeland Security on this review. These efforts are particularly important as they relate to our neighbor to the south, Mexico. Both of our nations suffer as a result of traffickers shipping approximately two-thirds of their cocaine destined for the United States through Mexico. Both nations suffer

from the violence and crime associated with drug trafficking as well as the social, health and economic consequences associated with increased drug use among their citizens.

Cooperation between our two countries has improved during the administrations of President Bush and President Fox. The close and positive relationship between the two presidents has fostered a more trusting, and less contentious, bilateral relationship that includes exchange of sensitive law enforcement information. The improved climate of cooperation between Mexican and U.S. law enforcement personnel presents an opportunity to bolster U.S. counterdrug programs that seek to strengthen Mexico's institutional capabilities, improve training for its personnel, modernize the justice sector, and promote anti-corruption reforms. Despite the enormous challenges still to be overcome, we have found a willing partner with whom to confront the threat.

The tragic events of September 11, 2001 will never be forgotten. The attacks alerted our government, and indeed, our entire citizenry, to our vulnerability when terrorists seek to harm Americans. It is critical to keep in mind the fact that when people buy drugs, some of their money may go to support terrorism. Twelve of the 28 international terrorist groups listed by the Department of State last October are involved in drug trafficking. Terrorism comes in many forms and illegal drug production often supports it. Many drug trafficking organizations, even if they claim no political agenda, use violence and intimidation as tools of the trade. The most powerful among them, such as the Arrellano Felix organization, brazenly attempt to intimidate and manipulate legitimate governments. They indiscriminately murder innocent people, corrupt judicial and law enforcement institutions, and cause entire communities to live in fear.

The President, ONDCP's National Youth Anti-Drug Media Campaign, community coalitions, parents, teachers, and the faith community are getting this message out – drug money funds terror. Drugs are not only harmful to individuals, families, and communities; they are also harmful to our country and innocent people around the globe.

This *Strategy* enhances our ability to protect our borders and cooperate fully in the international effort to combat drug trafficking. The President's FY 2003 Budget includes the following key highlights that will enable us to disrupt the market at home and at the source:

- **Andean Counterdrug Initiative (ACI): \$731 million.** The FY 2003 Budget includes an increase of **\$106 million** over funding enacted for the ACI account in FY 2002 for Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela, and Panama. This FY 2003 request includes resources to continue enforcement, border control, coca and poppy eradication, alternative development, institution building, and administration of justice and human rights programs. For Colombia, the FY 2003 funding will be used for several broad categories, including: operations and maintenance of air assets provided with Plan Colombia supplemental funding; Colombian National Police and Army counternarcotics Brigade operational support; and herbicide application programs. The additional funding requested would support critical USAID-

implemented humanitarian, social, economic and alternative development programs, support for vulnerable groups, and resources for justice sector reform projects.

- **Deepwater Project: +\$500 million.** This proposal continues to support the United States Coast Guard's Deepwater Project. The deepwater project focuses on the re-capitalization and modernization of the Coast Guard's assets, including sensors and communications equipment for the aging deepwater cutters, aircraft and command centers. Although only a portion of this initiative is related to drug control, the re-capitalization of these assets will enhance Coast Guard's ability to conduct counterdrug activities.
- **Border Control and Enforcement: +\$76.3 million** (\$11.4 million drug-related). This enhancement for the Border Patrol includes hiring an additional 570 agents to enforce national borders and to combat international drug trafficking. For the new Border Patrol Agents, a portion of their time will involve drug control activities.
- **Southwest Border Prosecutor Initiative: \$50 million.** The President's 2003 Budget maintains funding of \$50 million for the Southwest Border Prosecutor Initiative. This initiative provides critical support to counties along the Southwest Border for the costs of detaining and prosecuting drug cases referred to them by U.S. Attorneys.

Conclusion

The Administration looks forward to working with this subcommittee and the entire Congress to implement the sensible, effective policies and programs articulated in this Strategy. What we are proposing will work. When concerned Americans push back on the drug problem, it recedes.

President Bush has said: "We must reduce drug use for one great moral reason: over time, drugs rob men, women, and children of their dignity and of their character. Illegal drugs are the enemies of ambition and hope. When we fight against drugs, we fight for the souls of our fellow Americans." With your help, and the help of millions of men, women, and children throughout our great nation and the world, we will prevail.